HOLD
TP: Rs 160 | ▲ 14%

FINOLEX INDUSTRIES | Building Materials | 03 November 2026

Volume rebound drives beat; margins stay under pressure

- **Revenue grew 27% YoY, 21% above our estimate, on volume recovery; EBITDA beat by 21% with margin in line at 11.4%**
- **Volumes grew 28% YoY on channel restocking, but flat realisation and a 1,010bps lower gross margin cut EBITDA/kg by 25% to Rs 14.9**
- **Revise estimates, roll forward to Sep-27 TP of Rs 160 (ascribe 18x Sep'28E EPS); maintain HOLD**

Volume-led revenue beat; EBITDA margin in line: Finolex Industries (FNXP IN) reported 27% YoY revenue growth, 21% above our estimate, driven by 28% YoY volume growth to 83kt on a low base, while realisations remained flat. EBITDA declined 4% YoY but was 21% above our estimate. EBITDA margin stood at 11.4% (-380bps YoY), as a 1,010bps YoY gross margin contraction was offset by lower employee and other expenses as a share of sales. APAT declined 1% YoY, 20% above our estimate.

Channel restocking supports volumes; input-cost lag weighs on gross margin: Pipes and fittings volumes grew 28% YoY (+23% QoQ) on channel restocking after Q1 destocking, though H1FY27 volumes are still 4% lower. Realisations were flat at Rs 131/kg as discounts offset higher PVC prices, while gross margin fell 1,010bps YoY to 32.6% on higher-cost Q1 inventory, taking EBITDA/kg down 25% to Rs 14.9. Lower employee costs (-9% YoY) and flat other expenses limited the impact on EBITDA. Other income of Rs 553mn was 37% of PBT.

Outlook: Management guided FY27 EBITDA/kg of Rs 14-15, with a higher non-agri mix expected to support H2, and remains cautiously optimistic on demand amid stable PVC prices. The 520kt capacity gives headroom through FY28, with FY27 capex of ~Rs 1.5bn mostly for maintenance and debottlenecking and incremental capacity only towards end-FY28. Net cash stood at Rs 25.8bn at end-Q2FY27..

Revise estimates, maintain HOLD; TP Rs 160 (from Rs 180): We maintain HOLD on Finolex. We raise FY27E revenue by 1% on the Q2 volume recovery but cut FY28-29E revenue by 1%/6%, and trim EBITDA by 5%/1%/1% (FY27E margin down 67bps to 11.6%). We lower our target multiple to 18x P/E from 20x on Sep'28E EPS because imported input costs and West Asia supply disruption are pressuring margins and competitive channel discounting limits pass-through; earnings depend on policy (the MIP expires in January, the CVD is undecided) and a weather-exposed agri mix (60% of volume); and Rs 25.8bn of cash sits undeployed. We arrive at a Sep'27 TP of Rs 160 (earlier Rs 180), implying 14% upside.

Harshit Mundra
Research Associate

Vineet Shanker
Research Analyst
research@bobcaps.in

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	FNXP IN/Rs 141
Market cap	US$ 917.2mn
Free float	48%
3M ADV	US$ 0.7mn
52wk high/low	Rs 200/Rs 137
Promoter/FPI/DII	52%/6%/12%

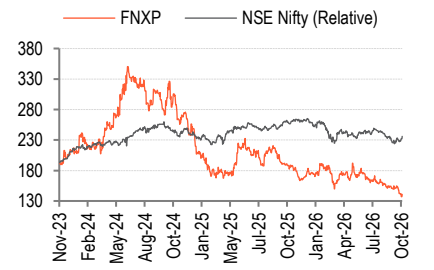
Source: NSE | Price as of 2 Nov 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	41,134	44,163	50,313
EBITDA (Rs mn)	6,789	5,102	6,032
Adj. net profit (Rs mn)	5,991	4,530	5,074
Adj. EPS (Rs)	9.7	7.3	8.2
Consensus EPS (Rs)	9.7	8.8	9.9
Adj. ROAE (%)	9.7	7.2	7.8
Adj. P/E (x)	14.5	19.2	17.2
EV/EBITDA (x)	13.2	17.8	14.8
Adj. EPS growth (%)	56.4	(24.4)	12.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly Performance

Particulars (Rs mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)	BOBCAPS Q2FY27E	Var (%)
Revenue	10,940	8,587	27	8,836	24	19,775	19,019	4	9,012	21
Gross Profit	3,564	3,665	(3)	3,440	4	7,004	7,068	(1)	3,345	7
Gross Margin (%)	32.6	42.7	(1,010)	38.9	(640)	35.4	37.2	(170)	37.1	-455bps
EBITDA	1,244	1,302	(4)	1,066	17	2,309	2,238	3	1,028	21
EBITDA Margin (%)	11.4	15.2	(380bps)	12.1	(70bps)	11.7	11.8	(10bps)	11.4	-4bps
Depreciation	282	274	3	275	3	557	541	3	278	2
Interest	33	43	(22)	69	(51)	102	98	4	69	(51)
Other Income	553	578	(4)	753	(27)	1,307	1,224	7	578	(4)
PBT	1,481	1,562	(5)	1,476	0.4	2,957	2,823	5	1,262	17
Tax	351	425	(18)	333	5.3	683	753	(9)	318	10
Adjusted PAT	1,131	1,136	(1)	1,143	(1.1)	2,295	2,217	4	944	20
Exceptional item	-	-	-	0	-	-	-	-	0	-
Reported PAT	1,131	1,136	(1)	1,143	(1.1)	2,295	2,217	4	944	20
Adj. PAT Margin (%)	10.3	13.2	(290bps)	12.9	(260bps)	11.6	11.7	(10bps)	10.5	-14bps

Source: Company, BOBCAPS Research

Fig 2 – Key Operating Metrics

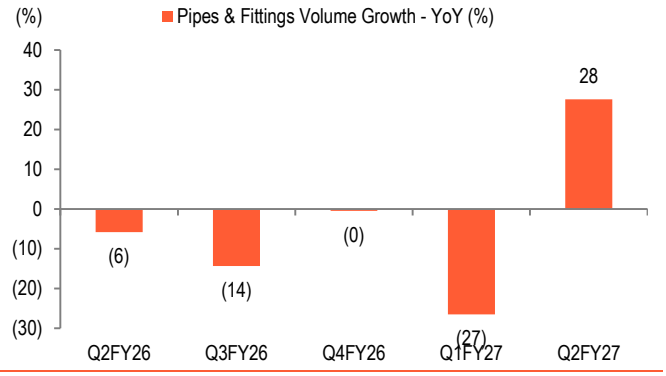
Particulars	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)
Pipe sales volume (kt)	83	65	28	68	23	151	157	(4)
Pipe sales realisation (Rs/kg)	131	131	(0)	131	0	131	121	8
Blended EBITDA per unit (Rs/kg)	14.9	19.9	(25)	15.7	(5.3)	15.3	14.2	8

Source: Company, BOBCAPS Research

Earnings Call Highlights

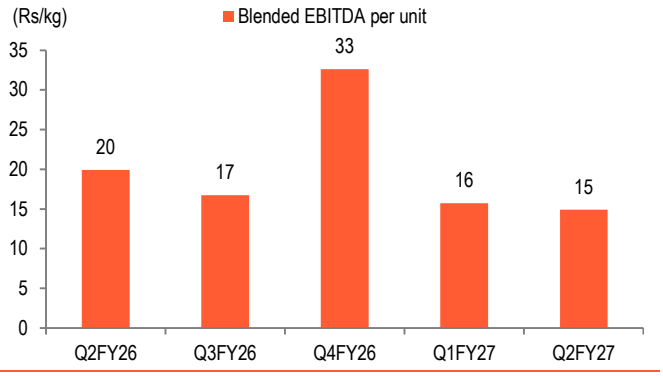
- **Industry Scenario**: Q2 volumes grew 28% YoY, as PVC price stabilisation eased channel destocking; however, H1 volumes remained down 4%. October was relatively strong, with YTD volumes turning marginally positive. El Niño and pressure on farmer incomes remain key demand monitorables, partly offset by positive tractor bookings (+14-15%).
- **PVC resin and raw materials:** MIP of US$767/t CIF, valid until the third week of January 2027, has supported domestic PVC price stability; management sees limited downside in Q3. DGTR has recommended CVD on Chinese PVC imports, which management believes could replace MIP, subject to the government's decision. Q2 average PVC price was US$771/t, with PVC–EDC and PVC–VCM spreads at US$455/t and US$171/t, respectively. EDC and VCM are fully imported, while Q3 raw-material requirements are largely covered at costs in line with current inventory. West Asia disruptions were managed through alternative sourcing.
- **Margin & Guidance:** Q2 EBITDA/kg declined to Rs 14.9 from Rs 19.9 in Q2FY26, as higher-cost inventory procured during Q1 was consumed. Realisations remained flat at Rs 131/kg due to a higher agri mix and channel schemes. Management retained FY27 EBITDA guidance of Rs 14-15/kg, equal to a 12.5-15% EBITDA margin, with a higher non-agri mix expected to support H2.
- **Pipe & Fittings:** Total installed capacity stands at 520kt, including around 40kt of in-house fittings capacity; approximately 60kt of fittings are outsourced. Q2 utilisation was 68%, providing sufficient headroom for FY27 and FY28. CPVC accounted for 8% of Q2 volumes, while agri/non-agri mix stood at 60:40 (56:44 in Q2FY26). The VCM line remains structurally non-operational during the monsoon due to raw-material availability, while resin utilisation is otherwise at full capacity.
- **Capex:** FY27 capex is guided at ~Rs 1.5bn, largely towards maintenance and debottlenecking through replacement of lower-capacity extruders. H1 capex is about ~Rs 0.4bn, implying ~Rs 1.1bn in H2. Incremental capacity from debottlenecking is expected only towards end-FY28. Management has no current plans for further land monetisation.
- **Net cash:** balance has risen from Rs 26.4bn in Jun'26 to Rs 25.8bn in Sep'26.

Fig 3 – FNXP pipe volume grew by 28% YoY in Q1FY27



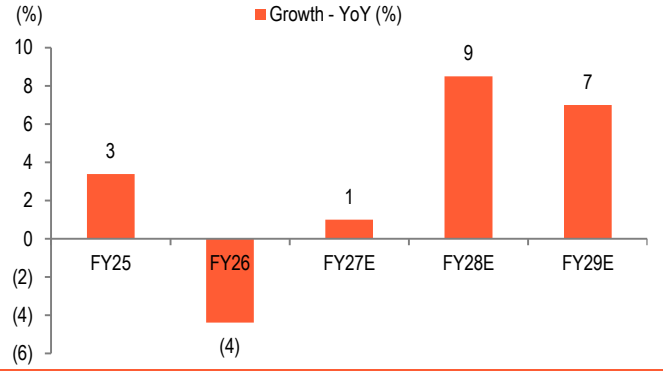
Source: Company, BOBCAPS Research

Fig 4 – FNXP blended EBITDA per unit decreased on YoY basis in Q2FY27



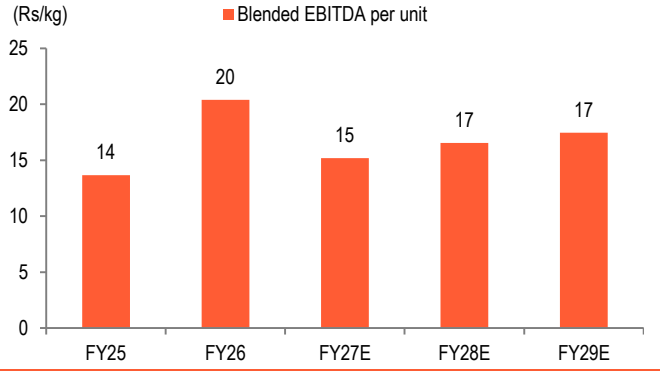
Source: Company, BOBCAPS Research

Fig 5 – FNXP pipe volume is projected to grow at 20% CAGR over FY25-FY29E



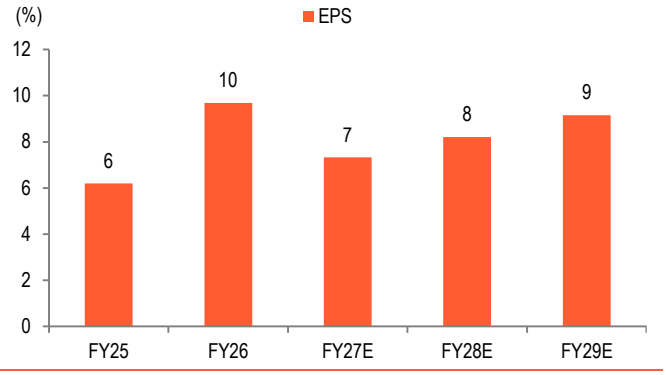
Source: Company, BOBCAPS Research

Fig 6 – FNXP Pipe EBITDA per unit to structurally improve on higher non-agri pipe sales



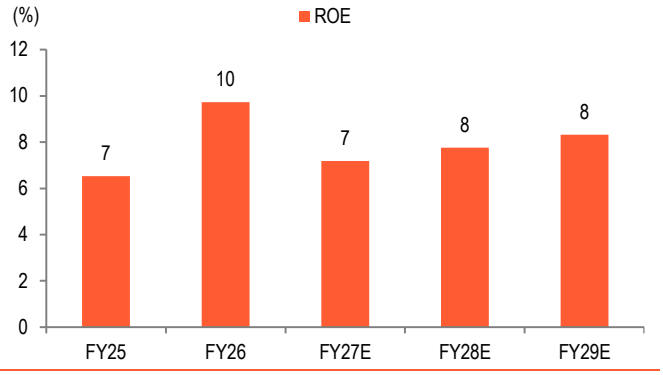
Source: Company, BOBCAPS Research

Fig 7 – EPS to grow at a 10% CAGR over FY25-FY29E



Source: Company, BOBCAPS Research

Fig 8 – FNXP return ratio profile to remain weak over FY27E-FY29E, on poor capital allocation



Source: Company, BOBCAPS Research

Valuation Methodology

We maintain HOLD on Finolex. We raise FY27E revenue by 1% on the Q2 volume recovery but cut FY28-29E revenue by 1%/6%, and trim EBITDA by 5%/1%/1% (FY27E margin down 67bps to 11.6%). We lower our target multiple to 18x P/E from 20x on Sep'28E EPS because imported input costs and West Asia supply disruption are pressuring margins and competitive channel discounting limits pass-through; earnings depend on policy (the MIP expires in January, the CVD is undecided) and a weather-exposed agri mix (60% of volume); and Rs 25.8bn of cash sits undeployed. We arrive at a Sep'27 TP of Rs 160 (earlier Rs 180), implying 14% upside.

Fig 9 – Revised Estimates

Revision	New			Old			Var %		
Particulars (Rs bn)	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	44,163	50,313	56,526	43,837	50,622	60,274	1%	-1%	-6%
EBITDA	5,102	6,032	6,812	5,356	6,063	6,871	-5%	-1%	-1%
margin %	11.6%	12.0%	12.1%	12.2%	12.0%	11.4%	(67bps)	1bps	65bps
PAT	4,530	5,064	5,650	4,679	5,372	5,948	-3%	-6%	-5%
EPS	7.3	8.2	9.2	7.6	8.7	9.6	-3%	-6%	-5%

Source: Company, BOBCAPS Research

Fig 10 – FNXP 1YF P/E band chart



Source: Bloomberg, BOBCAPS Research

Fig 11 – Key assumptions

Particulars (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Pipes volume growth	3.4	(4.4)	1.0	8.5	7.0
Pipe realisation growth	(5.2)	4.8	6.3	5.0	5.0
Blended EBITDA per unit (Rs/kg)	13.7	20.4	15.2	16.5	17.5

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**41,420**	**41,134**	**44,163**	**50,313**	**56,526**
EBITDA	4,758	6,789	5,102	6,032	6,812
Depreciation	1,067	1,068	1,127	1,252	1,273
EBIT	3,691	5,721	3,975	4,780	5,540
Net interest inc./(exp.)	296	206	175	275	275
Other inc./(exp.)	2,466	2,114	2,166	2,253	2,276
Exceptional items	0	0	0	0	0
EBT	5,861	7,629	5,976	6,768	7,550
Income taxes	2,432	2,060	1,446	1,703	1,900
Extraordinary items	(4,170)	0	0	0	0
Min. int./Inc. from assoc.	402	422	10	10	10
Reported net profit	**8,000**	**5,991**	**4,530**	**5,064**	**5,650**
Adjustments	(4,170)	0	0	0	0
Adjusted net profit	**3,830**	**5,991**	**4,530**	**5,074**	**5,659**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	4,442	3,664	3,934	4,482	5,035
Other current liabilities	3,124	3,159	3,388	3,860	4,336
Provisions	-	-	-	-	-
Debt funds	2,306	4,393	4,393	3,893	2,893
Other liabilities	2,979	2,593	2,593	2,593	2,593
Equity capital	1,237	1,237	1,237	1,237	1,237
Reserves & surplus	58,219	59,398	61,234	63,675	66,682
Shareholders' fund	60,969	62,147	63,983	66,424	69,431
Total liab. and equities	**73,819**	**75,956**	**78,291**	**81,251**	**84,288**
Cash and cash eq.	1,254	603	1,150	2,273	3,271
Accounts receivables	3,793	3,623	3,993	4,549	5,111
Inventories	7,824	10,260	11,207	12,544	14,093
Other current assets	448	873	937	1,067	1,199
Investments	-	-	-	-	-
Net fixed assets	9,871	10,062	10,435	10,183	9,910
CWIP	732	279	279	279	279
Intangible assets	213	112	112	112	112
Deferred tax assets, net	-	-	-	-	-
Other assets	589	451	484	551	619
Total assets	**73,819**	**75,956**	**78,291**	**81,251**	**84,288**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**3,827**	**1,918**	**4,774**	**5,313**	**5,710**
Capital expenditures	(1,155)	(587)	(1,500)	(1,000)	(1,000)
Change in investments	-	-	-	-	-
Other investing cash flows	1,238	(959)	(33)	(67)	(68)
Cash flow from investing	**83**	**(1,547)**	**(1,533)**	**(1,067)**	**(1,068)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(1,576)	2,007	0	(500)	(1,000)
Interest expenses	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other financing cash flows	(1,912)	(2,498)	(2,694)	(2,623)	(2,643)
Cash flow from financing	**(3,488)**	**(491)**	**(2,694)**	**(3,123)**	**(3,643)**
Chg in cash & cash eq.	**422**	**(120)**	**547**	**1,122**	**999**
Closing cash & cash eq.	**1,254**	**603**	**1,150**	**2,273**	**3,271**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	12.9	9.7	7.3	8.2	9.1
Adjusted EPS	6.2	9.7	7.3	8.2	9.2
Dividend per share	3.6	2.8	4.4	4.2	4.3
Book value per share	98.6	100.5	103.5	107.4	112.3

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.2	2.2	2.1	1.8	1.6
EV/EBITDA	18.8	13.2	17.8	14.8	12.9
Adjusted P/E	22.7	14.5	19.2	17.2	15.4
P/BV	1.4	1.4	1.4	1.3	1.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	65.4	78.5	75.8	74.8	74.8
Interest burden (PBT/EBIT)	158.8	133.3	150.3	141.6	136.3
EBIT margin (EBIT/Revenue)	8.9	13.9	9.0	9.5	9.8
Asset turnover (Rev./Avg TA)	4.1	4.1	4.3	4.9	5.6
Leverage (Avg TA/Avg Equity)	0.2	0.2	0.2	0.2	0.1
Adjusted ROAE	6.5	9.7	7.2	7.8	8.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(4.1)	(0.7)	7.4	13.9	12.4
EBITDA	(18.6)	42.7	(24.9)	18.2	12.9
Adjusted EPS	(19.1)	56.4	(24.4)	12.0	11.5
Profitability & Return ratios (%)					
EBITDA margin	11.5	16.5	11.6	12.0	12.1
EBIT margin	8.9	13.9	9.0	9.5	9.8
Adjusted profit margin	9.2	14.6	10.3	10.1	10.0
Adjusted ROAE	6.5	9.7	7.2	7.8	8.3
ROCE	6.0	8.8	5.9	6.9	7.8
Working capital days (days)					
Receivables	33	32	33	33	33
Inventory	103	138	140	140	140
Payables	39	33	33	33	33
Ratios (x)					
Gross asset turnover	1.5	1.5	1.5	1.6	1.8
Current ratio	3.6	3.5	3.6	3.7	3.9
Net interest coverage ratio	12.5	27.8	22.7	17.4	20.2
Adjusted debt/equity	0.0	0.0	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
CIN: **U65999MH1996GOI098009**

Logo:

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

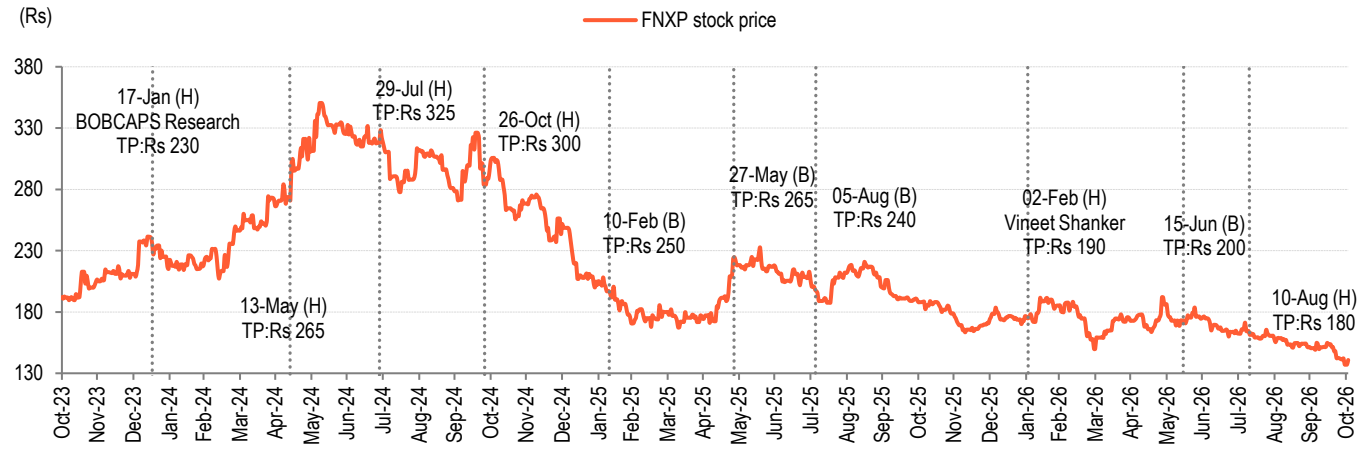
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): FINOLEX INDUSTRIES (FNXP IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("**MSL**") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as **"MAYBANK**"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.